



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE
AUDITOR-CONTROLLER

August 5, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

A handwritten signature in blue ink, reading "Wendy L. Watanabe", is written over the printed name and title.

SUBJECT: **PACIFIC ASIAN COUNSELING SERVICES – A DEPARTMENT OF
MENTAL HEALTH CONTRACT SERVICE PROVIDER – CONTRACT
COMPLIANCE REVIEW**

We completed a contract compliance review of Pacific Asian Counseling Services (PACS or Agency), which included a sample of billings from Fiscal Year (FY) 2011-12. The Department of Mental Health (DMH) contracts with PACS to provide mental health services, including interviewing Program clients, assessing their mental health needs, and implementing treatment plans. The purpose of our review was to determine whether PACS provided the services and maintained proper documentation as required by their County contract.

DMH paid PACS approximately \$3 million on a cost-reimbursement basis for FY 2011-12. The Agency provides services in the Second, Third, and Fourth Supervisorial Districts.

Results of Review

PACS staff had the required qualifications to provide DMH Program services. However, PACS needs to improve the quality of documentation in their Assessments and Client Care Plans. Specifically, PACS:

- Did not adequately describe the clients' symptoms and behaviors in five (33%) of the 15 Assessments reviewed.

- Did not develop objectives that were specific or related to the clients' needs for two (13%) of the 15 Client Care Plans reviewed.
- Did not document how services provided to 2 clients addressed their mental health condition, and billed services for one client twice, resulting in unsupported billings of \$699.

PACS' attached response indicates that the Agency will repay DMH \$699, provide training to their treatment staff in accordance with DMH standards, and establish quarterly record reviews.

Details of our review, along with recommendations for corrective action, are attached.

Review of Report

We discussed our report with PACS and DMH. PACS' attached response indicates that they agree with our findings and recommendations.

We thank PACS' management and staff for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:AB:DC:EB:sk

Attachment

c: William T Fujioka, Chief Executive Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
John Wirfs, Board President, PACS
Mariko Kahn, Executive Director, PACS
Public Information Office
Audit Committee

**PACIFIC ASIAN COUNSELING SERVICES
DEPARTMENT OF MENTAL HEALTH
FISCAL YEAR 2011-12**

BILLED SERVICES

Objective

Determine whether Pacific Asian Counseling Services (PACS or Agency) provided the services billed to the Department of Mental Health (DMH) in accordance with their DMH contract.

Verification

We selected 30 (3%) of the 973 approved Medi-Cal billings for December 2011 and January 2012, which were the most current billings available at the time of our review (March 2013). We reviewed the Assessments, Client Care Plans, and Progress Notes maintained in the clients' charts for the selected billings. The 30 billings represent services provided to 15 clients.

Results

PACS inappropriately billed DMH for three (10%) of the 30 billings reviewed. Specifically, two Targeted Case Management Services billings did not document how the services addressed the clients' mental health condition, and a Mental Health Service was billed twice. The unallowable and unsupported billings totaled \$699.

Assessments

PACS did not adequately describe the clients' symptoms and behaviors consistent with the Diagnostic and Statistical Manual of Mental Disorder (DSM) to support the diagnosis for five (33%) of the 15 Assessments reviewed. The DSM is a handbook published by the American Psychiatric Association for mental health professionals, which lists different categories of mental disorder and the criteria for diagnosing them. The DMH contract requires the Agency to follow the DSM when diagnosing clients.

Client Care Plans

PACS did not complete some elements for two (13%) of the 15 Client Care Plans in accordance with their DMH contract. Specifically:

- One Client Care Plan did not contain specific or measurable objectives. This finding was also noted during our prior monitoring review.
- One Client Care Plan did not contain objectives that related to the presenting problem or functional impairment documented in the Assessment.

Recommendations**PACS management:**

1. Repay DMH \$699.
2. Ensure that Assessments and Client Care Plans are completed in accordance with their DMH contract.

STAFFING QUALIFICATIONS**Objective**

Determine whether PACS treatment staff had the required qualifications to provide the services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 15 of 45 PACS treatment staff, who provided services to DMH clients during December 2011 and January 2012.

Results

Each employee reviewed had the qualifications required to provide the billed services.

Recommendation

None.

PRIOR YEAR FOLLOW-UP**Objective**

Determine the status of the recommendations reported in the prior Auditor-Controller monitoring review.

Verification

We verified whether PACS had implemented the three recommendations from our October 20, 2006 monitoring review covering Fiscal Year 2005-06.

Results

PACS did not implement one recommendation from the prior year monitoring report. As previously mentioned in the Billed Services section of this report, the outstanding finding related to Recommendation 2 in this report.

Recommendation

Refer to Recommendation 2.



Pacific Asian Counseling Services
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Michi Okano, LCSW
Clinical Director

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Richer San
Yiu Man So
Brian Swanson
Cindy T. Yasuda

June 7, 2013

TO: Wendy L. Watanabe
Auditor-Controller

FROM: PACS Management Team

SUBJECT: **PACIFIC ASIAN COUNSELING SERVICES – CORRECTIVE
PLAN OF ACTION**

Dear Ms. Wendy Watanabe,

Below is PACS response to the results of review and recommendations:

Billed Services:

PACS billed DMH 3 of 30 (10%) billings that were unsupported and unallowable. Specifically two TCM services billings did not document how the services addressed the client's mental health condition, and a MHS service was billed twice, totaling \$699.

Assessments:

PACS did not adequately describe the clients' symptoms and behaviors consistent with the DSM to support diagnosis in five of the 15 (33%) reviewed assessments.

CCCP:

PACS did not complete some elements of two of the 15 (13%) of the Client Care Plans in accordance with DMH contract. Specifically, one CCCP did not contain specific or measurable objectives, and one CCCP did not contain objectives related to the presenting problem or functional impairment documented in the Assessment.

Recommendation:

1. **Repay DMH \$699.**
2. **Ensure that Assessments and client care plans are completed in accordance with DMH contract.**

Corrective Action Plan:

1. PACS will repay DMH \$699 for unsupported and unallowable billed services (two TCM billings and one MHS billing).
2. PACS will provide training to staff in accordance to DMH standards, and establish quarterly record reviews as demonstrated by PACS QA policy. PACS will also send staff to DSM 5 training, to assist and ensure accurate diagnostic information for assessment.



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Executive Director
Michi Okano, LCSW
Clinical Director

Prior Year Follow-Up Results:

PACS did not implement one recommendation from the prior year monitoring report (Referring to Recommendations 2).

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Karen Pointer
Richer San
Yiu Man So
Brian Swanson
Cindy T. Yasuda

Recommendation:

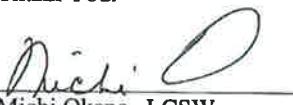
1. ***Ensure that Assessments and client care plans are completed in accordance with DMH contract.***

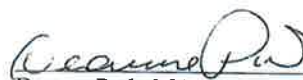
Corrective Action Plan:

1. **PACS will provide training to staff in accordance to DMH standards, and establish quarterly record reviews as demonstrated by PACS QA policy.**

Please contact us if you have any concerns or questions.

Thank You.


Michi Okano, LCSW
Clinical Director


Deanna Park, MA
Quality Assurance Officer